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AS AT JANUARY 31, 2014

Highlights for January 2014

- Budgetary revenue in January amounts to $5.5 billion, down $236 million compared to last year. Own-source revenue amounts to $4.1 billion while federal transfers stand at $1.4 billion.
- Program spending amounts to $5.2 billion, up $124 million compared to last year.
- Debt service stands at $692 million, up $46 million compared to last year.
- A deficit of $160 million on consolidated budgetary transactions was posted for January 2014, compared with a surplus of $200 million for January 2013.
- Taking the $142 million deposited in the Generations Fund into account, the monthly budgetary balance within the meaning of the *Balanced Budget Act* shows a deficit of $302 million for January 2014.

On the basis of the cumulative results as at January 31, 2014, the budget deficit, within the meaning of the *Balanced Budget Act*, amounts to $2.3 billion.

SUMMARY OF CONSOLIDATED BUDGETARY TRANSACTIONS
(millions of dollars) (Unaudited data)

	January		April to January			Situation as at February 20, 2014	
							Forecast Growth
	2013	2014	2012-2013	2013-2014	Variation	2013-2014	%
BUDGETARY REVENUE							
Own-source revenue	4 244	4 073	42 898 [1]	43 494	1.4	53 148	2.5
Federal transfers	1 495	1 430	12 680	13 830	9.1	16 669	6.1
Total	**5 739**	**5 503**	**55 578**	**57 324**	**3.1**	**69 817**	**3.3**
BUDGETARY EXPENDITURE							
Program spending	- 5 066	- 5 190	- 51 168	- 53 241	4.1	- 63 825	2.5
Debt service	- 646	- 692	- 6 459	- 7 024	8.7	- 8 510	9.6
Total	**- 5 712**	**- 5 882**	**- 57 627**	**- 60 265**	**4.6**	**- 72 335**	**3.3**
CONSOLIDATED ENTITIES [2]							
Non-budget-funded bodies and special funds	144	98	873	823	—	220	—
Health and social services and education networks	- 25	- 21	- 185	- 207	—	- 77	—
Generations Fund	125	142	754	895	—	1 072	—
Total	**244**	**219**	**1 442**	**1 511**	—	**1 215**	—
Exceptional loss-closing of the Gentilly-2 generating station	- 71	—	- 1 876	—	—	—	—
Contingency reserve	—	—	—	—	—	- 125	—
SURPLUS (DEFICIT)	**200**	**- 160**	**- 2 483**	**- 1 430**	—	**- 1 428**	—
BALANCED BUDGET ACT							
Deposits of dedicated revenues in the Generations Fund	- 125	- 142	- 754	- 895	—	- 1 072	—
Exceptional loss-closing of the Gentilly-2 generating station [3]	71	—	1 876	—	—	—	—
BUDGETARY BALANCE WITHIN THE MEANING OF THE BALANCED BUDGET ACT	**146**	**- 302**	**- 1 361**	**- 2 325**	—	**- 2 500**	—

(1) Excluding the exceptional loss $1 876 M resulting from the closure of the Gentilly-2 nuclear power plant in 2012-2013.
(2) The details of these transactions by type of entity are shown on page 5 of this report.
(3) Since this is a one-time event independent of the management of the government's day-to-day operations, the Balanced Budget Act was amended on June 14, 2013 to exclude from the budgetary balance the exceptional loss resulting from the closure of the Gentilly-2 nuclear power plant.

CUMULATIVE RESULTS AS AT JANUARY 31, 2014

Budgetary balance

- For the period from April 2013 to January 2014, the budgetary balance, within the meaning of the *Balanced Budget Act*, shows a deficit of $2.3 billion.

Budgetary revenue

- From April 1, 2013 to January 31, 2014, budgetary revenue amounts to $57.3 billion, $1.7 billion more than as at January 31, 2013.
  - Own-source revenue stands at $43.5 billion, $596 million more than last year.
  - Federal transfers amount to $13.8 billion, up $1 150 million compared to January 31, 2013. They take into account $864 million stemming from the payment by the federal government of $1 467 million[1] corresponding to the second portion of the financial compensation arising from the harmonization of the Québec sales tax (QST) with the federal goods and services tax (GST).

Budgetary expenditure

- Since the beginning of the fiscal year, budgetary expenditure amounts to $60.3 billion, an increase of $2.6 billion, or 4.6 %, compared to last year.

  For the first ten months of the fiscal year, program spending rose by $2 073 million, or 4.1 %, and stands at $53.2 billion.

  The most significant changes are in the Health and Social Services ($1 023 million) and the Education and Culture ($675 million) missions.

  Debt service amounts to $7.0 billion, up $565 million or 8.7 % compared to last year.

[1] Accounting for revenues from the federal compensation for the harmonization of sales taxes is in accordance with public sector accounting standards and takes into account the conditions laid down in the agreement. These conditions include the implementation of the harmonisation of the QST with the GST on January 1, 2013, as well as the implementation of a mechanism for payment and rebate of taxes by governments and some of their mandataries as of April 1, 2013. In addition, revenues must be recognized at the rate the expenditures funded by such compensation are recognized. Thus, as indicated at page C.24 by 2012-2013 Budget Plan, the first payment of $733 M was recorded in the last three months of 2012-2013, at the same pace as debt service expenditures. The second installment, an amount of $1 467 M, is distributed throughout 2013-2014, i.e. at the same pace as the corresponding expenditures of debt service and the Fund to finance Health and Social Services Institutions (FINESSS), at the rate of $122 M per month.

Consolidated entities

- As at January 31, 2014, the results of consolidated entities show a surplus of $1 511 million. These results include:
  - — a surplus of $823 million for non-budget-funded bodies and special funds;
  - — revenue dedicated to the Generations Fund of $895 million;
  - — a $207 million deficit for the health and social services and the education networks.

Net financial requirements

- As at January 31, 2014, consolidated net financial requirements stand at $4.8 billion, a decrease of $929 million compared to last year. Financial requirements reflect the current budget deficit as well as the variation, from one year to the next, in receipts and disbursements made in the course of the government's operations

CONSOLIDATED BUDGETARY AND FINANCIAL TRANSACTIONS
(millions of dollars) **(Unaudited data)**

	January			April to January		
	2013	2014	Change	2012-2013	2013-2014	Change
BUDGETARY REVENUE						
Own-source revenue	4 244	4 073	- 171	42 898 [1]	43 494	596
Federal transfers	1 495	1 430	- 65	12 680	13 830	1 150
Total	**5 739**	**5 503**	**- 236**	**55 578**	**57 324**	**1 746**
BUDGETARY EXPENDITURE						
Program spending	- 5 068	- 5 190	- 124	- 51 168	- 53 241	- 2 073
Debt service	- 646	- 692	- 46	- 6 459	- 7 024	- 565
Total	**- 5 712**	**- 5 882**	**- 170**	**- 57 627**	**- 60 265**	**- 2 638**
CONSOLIDATED ENTITIES[2]						
Non-budget-funded bodies and special funds	144	98	- 46	873	823	- 50
Health and social services and education networks	- 25	- 21	4	- 185	- 207	- 22
Generations Fund	125	142	17	754	895	141
Total	**244**	**219**	**- 25**	**1 442**	**1 511**	**69**
Exceptional loss-closing of Gentilly-2 generating station	- 71	—	71	- 1 876	—	1 876
SURPLUS (DEFICIT)	**200**	**- 160**	**- 360**	**- 2 483**	**- 1 430**	**1 053**
Consolidated non-budgetary requirements	1 717	2 987	1 270	- 3 246	- 3 370	- 124
CONSOLIDATED NET FINANCIAL REQUIREMENTS	**1 917**	**2 827**	**910**	**- 5 729**	**- 4 800**	**929**

(1) Excluding the exceptional loss of $1 876 M resulting from the closure of the Gentilly-2 nuclear power plant in 2012-2013.
(2) The details of these transactions by type of entity are shown on page 5 of this report.

GENERAL FUND REVENUE

(millions of dollars) (Unaudited data)

Revenue by source	January 2013	January 2014	Change %	April to January 2012-2013	April to January 2013-2014	Change %
Own-source revenue excluding government enterprises						
Income and property taxes						
Personal income tax	1 478	1 559	5.5	15 813	16 326	3.2
Contributions to Health Services Fund	620	581	- 6.3	5 499	5 674	3.2
Corporate taxes	342	119	- 65.2	2 821	2 083	- 26.2
Consumption taxes	932	855	- 8.3	13 231	13 924	5.2
Others sources	111	128	15.3	1 542	1 360	- 11.8
Total own-source revenue excluding government enterprises	**3 483**	**3 242**	**- 6.9**	**38 906**	**39 367**	**1.2**
Revenue from government enterprises	**761**	**831**	**9.2**	**3 992** [1]	**4 127**	**3.4**
Total own-source revenue	**4 244**	**4 073**	**- 4.0**	**42 898**	**43 494**	**1.4**
Federal transfers						
Equalization	616	653	6.0	6 159	6 528	6.0
Protection payment	30	—	—	302	—	—
Health transfers	394	454	15.2	3 976	4 375	10.0
Transfers for post-secondary education and other social programs	121	129	6.6	1 236	1 277	3.3
Other programs	90	108	20.0	763	786	3.0
Subtotal	**1 251**	**1 344**	**7.4**	**12 436**	**12 966**	**4.3**
Harmonization of the QST with the GST – Compensation	244	86	-64,8	244	864 [2]	254,1
Total federal transfers	**1 495**	**1 430**	**- 4.3**	**12 680**	**13 830**	**9,1**
BUDGETARY REVENUE	**5 739**	**5 503**	**- 4.1**	**55 578**	**57 324**	**3,1**

(1) Excluding the exceptional loss of $1 876 M resulting from the closure of the Gentilly-2 nuclear power plant in 2012-2013.

(2) In addition to this amount, $358 M is allocated to the Fund to Finance Health and Social Services Institutions (FINESSS), which is part of the results of consolidated entities, thus bringing the total compensation for the period from April 2013 to January 2014 to $1 222 M. The federal compensation revenues were recognized in two instalments. The first instalment of $733 M was recognized over the last three months of 2012-2013, while the second instalment of $1 467 M was distributed throughout 2013-2014.

GENERAL FUND EXPENDITURE

(millions of dollars) (Unaudited data)

Expenditures by mission	January 2013	January 2014	Change %	April to January 2012-2013	April to January 2013-2014	Change %
Program spending						
Health and Social Services	2 364	2 456	3.9	24 656	25 679	4.1
Education and Culture	1 456	1 527	4.9	13 860	14 535	4.9
Economy and Environment	416	345	- 17.1	4 241	4 467	5.3
Support for Individuals and Families	501	519	3.6	5 166	5 254	1.7
Administration and Justice	329	343	4.3	3 245	3 306	1.9
Total program spending	**5 066**	**5 190**	**2.4**	**51 168**	**53 241**	**4.1**
Debt service	**646**	**692**	**7.1**	**6 459**	**7 024**	**8.7**
BUDGETARY EXPENDITURE	**5 712**	**5 882**	**3.0**	**57 627**	**60 265**	**4.6**

DETAILED INFORMATION ON THE TRANSACTIONS OF CONSOLIDATED ENTITIES

(millions of dollars) (Unaudited data)

	Janvier 2014								
	Special funds	Generations Fund	Specified purpose accounts	Transfers (expenditures) related to the tax system	Non-budget-funded bodies	Health and education networks[1]	Total	Consolidation adjustments[2]	Total
REVENUE	**927**	**142**	**39**	**766**	**1 808**	**—**	**3 682**	**- 1 787**	**1 895**
EXPENDITURE									
Expenditure	- 646	—	- 39	- 766	- 1 724	- 21	- 3 196	1 690	- 1 506
Debt service	- 179	—	—	—	- 88	—	- 267	97	- 170
TOTAL	**- 825**	**—**	**- 39**	**- 766**	**- 1 812**	**- 21**	**- 3 463**	**1 787**	**- 1 676**
RESULTS	**102**	**142**	**—**	**—**	**- 4**	**- 21**	**219**	**—**	**219**

	April to January 2014								
	Special funds	Generations Fund	Specified purpose accounts	Transfers (expenditures) related to the tax system	Non-budget-funded bodies	Health and education networks[1]	Total	Consolidation adjustments[2]	Total
REVENUE	**8 904**	**895**	**557**	**5 058**	**18 923**	**—**	**34 337**	**- 18 478**	**15 859**
EXPENDITURE									
Expenditure	- 6 705	—	- 557	- 5 058	- 17 730	- 207	- 30 257	17 568	- 12 689
Debt service	- 1 634	—	—	—	- 935	—	- 2 569	910	- 1 659
TOTAL	**- 8 339**	**—**	**- 557**	**- 5 058**	**- 18 665**	**- 207**	**- 32 826**	**18 478**	**- 14 348**
RESULTS	**565**	**895**	**—**	**—**	**258**	**- 207**	**1 511**	**—**	**1 511**

(1) The results of the networks are presented according to the modified equity accounting method.
(2) Consolidation adjustments include the elimination of program spending of the general fund.

For more information, contact the Direction des communications of the Ministère des Finances at 418 528-5698.

The report is available on the Ministère des Finances website: www.finances.gouv.qc.ca